

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,
Plaintiff,
v.
WILLIAM P. SCHMIDT, *et al.*,
Defendants.

Case No. C16-0985RSL

ORDER STRIKING JURY DEMAND

This matter comes before the Court on the “United States of America’s Motion to Strike Jury Demand.” Dkt. # 49. Plaintiff filed this action to reduce to judgment the outstanding federal income tax assessments against defendant William P. Schmidt (Count 1), to determine that Schmidt is the true owner of a parcel of real property in Tukwila, WA, that was fraudulently conveyed to defendants Sufian Hamad and Riverton Holding, LLC (Count 2), and to foreclose on and sell the property (Count 3). Because Hamad and Riverton Holding claim an interest in the property, they were named as defendants.

“The Seventh Amendment . . . secures the right to a jury trial for ‘suits in which *legal* rights [are] to be ascertained and determined, in contradistinction to those where equitable rights alone [are] recognized, and equitable remedies [are] administered.’” Teutscher v. Woodson, 835 F.3d 936, 943 (9th Cir. 2016) (quoting Chauffeurs, Local 391 v. Terry, 494 U.S. 558, 564 (1990) (emphasis and alterations in original) (quoting Parsons v. Bedford, 3 Pet. 433, 447 (1830))). In this case, the United States seeks a money judgment for tax assessments owed by defendant

1 Schmidt, which is arguably a statutory action analogous to common law causes of action decided
2 by English law courts in the late 18th century and indisputably involves a traditional form of
3 relief offered in those courts. The Court assumes, for purposes of this analysis, that Schmidt
4 could have demanded a trial by jury on the tax assessment claim. He did not, however, and has
5 therefore waived his Seventh Amendment right under Fed. R. Civ. P. 38(d).¹

6 The relief the United States seeks that may have an impact on Hamad and Riverton
7 Holding -- the setting aside of a purportedly fraudulent transfer -- is exclusively equitable in
8 nature. Plaintiff seeks to compel the sale of real property: it does not seek damages from either
9 Hamad or Riverton Holding. A prevailing party's ability to recover fees and costs under Rule 54
10 does not convert an equitable claim into a legal claim and does not trigger the right to a jury. See
11 Fed. R. Civ. P. 54(d) (specifying that costs are awarded by the clerk and attorney's fees and
12 nontaxable expenses can be awarded on motion).

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14 For all of the foregoing reasons, plaintiff's motion is GRANTED and the jury demand
15 filed in this case is hereby STRICKEN.

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17 Dated this 1st day of November, 2017.

18 Robert S. Lasnik
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20 Robert S. Lasnik
United States District Judge

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25 ¹ If, as they contend, defendants Hamad and Riverton Holding have a right to step into Schmidt's
26 shoes to litigate the validity of the tax lien in the first instance, they would be bound by his waiver.